

## DEPARTMENT OF FINANCE BILL ANALYSIS (REVISED)

**AMENDMENT DATE:** 06/13/2012  
**POSITION:** Neutral

**BILL NUMBER:** AB 174  
**AUTHOR:** Monning, William

**BILL SUMMARY:** Office of Systems Integration: California Health and Human Services Automation Fund.

This bill would reestablish statutory authority for the Office of Systems Integration (OSI) Fund, which will now be renamed the California Health and Human Services Automation Fund. This bill also specifies the purposes for which the fund may be used, including funds provided by the Department of Health Care Services, the Managed Risk Medical Insurance Board, and the California Health Benefit Exchange for the California Healthcare Eligibility, Enrollment, and Retention System.

**FISCAL SUMMARY**

This bill has no fiscal impact. Expenditure authority for the OSI Fund has been annually appropriated through the Budget Act, consistent with the intent of its original deleted statutory authority. In reestablishing its statutory authority, this bill continues to require that monies in the fund be made available upon appropriation by the Legislature.

**COMMENTS**

The Department of Finance is neutral on this measure. This bill is a technical measure that would restore the statutory authority for the OSI's sole fund, which was inadvertently deleted by Chapter 533, Statutes of 2006. Despite its statutory authority being deleted, the State Controller has allowed expenditures to be made out of this fund upon appropriation of monies to it through the Budget Act. The Budget Act appropriation refers to the fund as the Office of Systems Integration Fund, which this bill will now rename the California Health and Human Services Automation Fund upon enactment of this bill, in recognition of the nature of the bulk of the projects it supports.

In 2005, OSI was established to manage a portfolio of large, complex health and human services information technology projects such as the State Automated Welfare System and the Employment Development Department Unemployment Insurance Modernization Project. The OSI provides project management, oversight, procurement and support services for a multi-billion dollar portfolio of high-profile projects. Since its inception, the OSI has developed a track record of successfully managing and deploying large, complex, mission critical systems to support health and human services programs at the state, federal and local level. The OSI Fund provides the monies for these projects.

Analyst/Principal (0562) A.Bazos	Date	Program Budget Manager Ken DaRosa	Date
Department Deputy Director		Date	
Governor's Office:	By:	Date:	Position Approved _____ Position Disapproved _____
BILL ANALYSIS			Form DF-43 (Rev 03/95 Buff)

**BILL ANALYSIS--(CONTINUED)****Form DF-43****AUTHOR****AMENDMENT DATE****BILL NUMBER**

Monning, William

06/13/2012

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	SO	(Fiscal Impact by Fiscal Year)					
Code/Department	LA	(Dollars in Thousands)					
Agency or Revenue	CO	PROP					Fund
Type	RV	98	FC	2012-2013 FC	2013-2014 FC	2014-2015	Code
0530/Secty H&HS	SO	No		-----	No/Minor Fiscal Impact	-----	9732
<u>Fund Code</u>	<u>Title</u>						
9732	Office of Systems Integration Fund						